FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 00656)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

FINANCIAL SUMMARY

	For the year ended 31 December	
In RMB million	**2012**	2011
Revenue	**51,764.7**	56,816.2
Insurance	**-**	-
Industrial Operations	**51,625.0**	56,812.4
Investment	**242.1**	361.6
Asset Management	**310.8**	125.3
Eliminations	**(413.2)**	(483.1)
Profit attributable to owners of the parent	**3,707.2**	3,403.6
Insurance	**(54.9)**	-
Industrial Operations	**2,419.0**	3,182.4
Investment	**2,005.8**	517.1
Asset Management	**61.0**	6.4
Unallocated expenses	**(468.2)**	(316.2)
Eliminations	**(255.5)**	13.9
Earnings per share *(in RMB)*	**0.58**	0.53
Dividend per share *(in HKD)*	**0.17**	0.157

CHAIRMAN'S STATEMENT

Dear shareholders,

As at the end of the Reporting Period, equity attributable to owners of the parent of the Group reached RMB35,197.3 million, representing an increase of 10.6% from the end of 2011. Of which equity equivalent to RMB11,161.2 million were net assets in listed subsidiaries and associates attributable to the Group, and such equity amounted to RMB16,253.3 million measured by attributable market capitalization. The Board had resolved to propose payment of a final dividend of HKD0.17 per ordinary share for the year ended 31 December 2012.

The year 2012 marked a milestone as well as a promising new start for Fosun. Two decades of development has groomed Fosun into what it is today in terms of business scale, resources and reputations. We believe the next twenty years will see Fosun putting more of its dreams into reality and achieving leapfrog development.

2012 was also a year of exceptional external uncertainties. It was against this backdrop that Fosun persevered in pursuing excellence in each of its business segments and invested enterprises, tackled difficulties brought about by the unfavorable external environment and achieved respectable results amid volatility in the economy. These efforts helped facilitate the steady progression of the Group closer to its vision of becoming "a premium investment group with a focus on China's growth momentum".

2012 BUSINESS REVIEW

In 2012, our industrial operations as a whole delivered a sound performance, realizing RMB2,419.0 million in profit attributable to owners of the parent. Fosun Pharma's principal businesses of pharmaceuticals manufacturing and distribution are gradually on track for positive development after years of investment, integration and accumulation of experience. During the Reporting Period, Fosun Pharma successfully listed its shares in Hong Kong in a move that raised HKD3,965.6 million. Forte's persisting investments in previous years despite the dwindling market fundamentals had finally paid off. It saw its revenue grow and net profit maintain at relatively high levels in its corporate history amid a slight decline resulting from macroeconomic control measures on the industry. Nanjing Nangang, bucking the industry's down trend, delivered respectable achievements in enhancing its operations and internal efficiency. The unrelenting efforts by the management of Nanjing Nangang against a backdrop of mounting uncertainties were further illustrated in its implementation of an integrated marketing strategy and development of non-steel-related activities. Hainan Mining continued to explore its production and sales potential. Meanwhile, Hainan Mining is proactively pursuing its initial public offering with its listing prospectus (application version) released in April 2012.

Achievement one: focusing on large-scale investments to deliver high returns

In 2012, we made certain achievements in promoting share listings of investees, capitalizing on opportunities in the secondary markets and in property investments.

During the Reporting Period, four of our investees launched share listings and we completed six investments in the secondary markets.

For our investment business, we invested in the shares of Minsheng Bank, pursuing the Group's strategy of tapping strategic business expansion opportunities based on the principle of value investment. We also participated in the privatization plan of Focus Media as this would help us reap gains from the partial disposal and enable us to continue to benefit from its business growth.

For our property business, Forte successfully won a tender for land parcels of the Hexin Island Project in Chengdu and the Group acquired land parcels in Zhenru sub-CBD in Shanghai. Sales of Nantong and Harbin projects by Star Capital hit records. Meanwhile, in addition to accelerating the development of Forte, we have established a new platform namely Fosun Property Holdings, to identify new opportunities in the property industry. Star Capital, which specializes in the construction of urban complex projects, is a leading brand in the property fund sector in China. The first high-end healthcare program under the Starcastle Senior Living (星堡老年服務) has commenced operation in early 2013, while other property product lines that leveraged Fosun's industrial resources were also making steady progress.

Achievement two: establishing a large-scale financing system

During the Reporting Period, Fosun Pharma successfully listed its shares in Hong Kong in the transaction that raised HKD3,965.6 million. Star Capital Phase II Fund (星浩二期基金) was successfully closed for subscription. In July 2012, the Group signed a HKD30,000.0 million cooperation agreement for development finance with China Development Bank. In addition, Fosun Group, Fosun Pharma, Yuyuan, Nanjing Nangang and Hainan Mining all made significant inroads in the use of new financing instruments in a move that added depths to their financing channels.

Achievement three: expanding insurance business

In 2012, we made significant progress in our insurance business with important breakthroughs. Yong'an P&C Insurance has completed a smooth transition of the management in the course of further growth of its business, with its new development strategy approved by shareholders. Pramerica Fosun Life Insurance commenced its operations smoothly and made steady progress in product and channel development. The preparatory work for the establishment of Peak Reinsurance, a subsidiary co-invested by the Group and International Finance Corporation under the World Bank, was satisfactorily completed and it has officially started its operation. That represents a crucial breakthrough for the Group in its insurance and globalization strategy.

The Group has initially established an insurance business model driven by "three growth drivers", namely property and casualty insurance, life insurance and re-insurance. This has been a crucial step in our pursuit of a secured source of high-quality capital in the long run and continuously strengthening of our investment capabilities. Currently, funds available for investing from the insurance business comprise RMB8,900.0 million and USD550.0 million.

Achievement four: improving the internal control system

In 2012, Fosun implemented a risk warning system for investment projects. It played an important role in achieving more effective post-investment management. Furthermore, the Group exercised more precise control over each investment project with an all-round comprehensive Grid-and-Flat management system. Meanwhile, the Environmental, Health, Safety and Quality Supervision Department set up by the Group in 2011 completed more stringent audits on states of implementation of production safety and environmental protection measures among the investees, as part of the initiatives to supervise and help those investees achieve better enterprise efficiency in a more environmentally friendly and sustainable manner.

Achievement five: receiving wider recognition of asset management business

In 2012, our asset management business received even wider recognition from the industry. Fosun ranked third among the top 50 private equity investment institutions in China in 2012 by Zero2IPO during the year, up five notches from the previous year.

During the Reporting Period, the asset management of the Group raised funds amounting to RMB16,658.1 million, of which RMB3,088.0 million came from our own funds. Management fee income from our asset management business amounted to RMB343.7 million.

We made a significant amount of preliminary work in preparation for fund-raising activities for our RMB-denominated Weishi Fund and a new fund denominated in USD in 2012, which may come to fruition in 2013.

DEVELOPMENT OPPORTUNITIES FOR FOSUN

China will remain as the main driver of global economic growth in the future. China's economy has begun to stabilize since the second half of 2012, when the country's PMI hovered above the 50% expansion/decline watershed for three consecutive months in the fourth quarter. China's annual GDP growth will hover between 7% and 9% in the next five years. Meanwhile, starting from a relatively underdeveloped basis, the midwest regions of China will experience more rapid growth than the eastern region driven by the new round of urbanization development initiatives (In 2012, the GDP growth rates of provinces in the midwest regions such as Sichuan, Yunnan and Inner Mongolia were generally in excess of 10%, significantly higher than those in the developed eastern region) .

Following a phase of explosive growth in the last five years, the internet has initiated profound changes in some industries (such as distribution of computer software via CD-ROMs, traditional printed books, production of audio and video works, newspapers and magazines and mobile handsets) and has inflicted long-lasting impacts on some industries (such as retail, electrical appliances, hotel, finance, telecommunications and logistics). Fosun believes that the internet will impact further on traditional industries such as property and manufacturing industries, etc. However, we have taken note of the fact that certain services that involve customer experience will never be completely substituted by the internet (such as fitness, food & beverage, travel and cinemas). Meanwhile, integration of the internet and traditional industries has given birth to a number of new business models, effected adjustments to relevant investment logics, given rise to emergence of new investment opportunities that one cannot afford to ignore.

As for manufacturing industries, in the short term, the cost advantage of China's manufacturing industries will mainly rest with supply chain management and production outsourcing services, etc. In the long run, advanced manufacturing technologies such as 3D printing and industrial robotics may change the landscape and division of labor within the value chain throughout the manufacturing industries in the medium to long term. The manufacturing industry reflux to developed countries will bring about investment opportunities to these countries in the area of localization of manufacturing operations. Also, countries that are still benefiting from their abundance of population dividends, like India, will bring new competition to China's low-end manufacturing industries in the form of job migrations.

With a new round of monetary easing policies implemented by major economies around the world, inflation will probably become a major subject of discussion in economics for the long term. Industries that derive benefits from inflation, that are capable of beating inflation or immune to inflation will embrace investment opportunities in the long run.

In the area of changing demographic structure, the world will be facing a long-term problem of ageing of the population. For example, in China, the dependency ratio will increase substantially in the next 40 years, but the social security system in China does not have the full capacity to meet the expenditure demand from the distribution of benefits arising from the ageing population. Therefore, the insurance industry, in particular the life insurance industry, will have long-term growth opportunities. At the same time, ageing will also be embracing long-term growth opportunities in the sectors of pharmaceuticals and healthcare, caring for the elderly and property development for the elderly.

In China, apart from the transformation of the overall economic structure of China towards consumption-driven and service industry-driven, we have also observed three major trends:

First, rapid growth in affluence of Chinese residents will bring about long-term opportunities to the wealth management business and the luxury goods industry. China has become the world's fourth largest country with the highest concentration of high net worth individuals and the second largest market in luxury products consumption;

Second, ratio of direct financing in China will continue to increase. This change in financing structure will drive the long-term growth in the securities industry and the private equity industry;

Third, China will continue to deepen its urbanization. Newer styles in building of cities and towns will propagate the urbanization process throughout the heartland of

China in a development model that better accommodates the needs of economic transformation in the country. A new round of urbanization will bring about development opportunities to the property industry, energy conservation and environmental protection industries and modern agricultural industry.

THE DEVELOPMENT DIRECTION OF FOSUN

For industrial operations, Fosun Pharma will continue to deepen structural adjustments of its businesses to secure sustainable rapid development of its core businesses, while accelerating the pace of mergers and acquisitions within the industry. This will allow Fosun Pharma to become a leading company in healthcare products and services. Forte will adhere strictly to a rapid asset turnover model, enhance its systematic project development capabilities, strengthen cost management, deepen implementation of standardized project series and raise the quality of its growth. It will deepen its foothold in first and second-tier cities, strive to replenish its land bank at reasonable costs, rebalance its product portfolios in selected cities. Meanwhile, Forte's property funds platform will be optimized and integrated, with more stringent risk management in place, aiming at creating better returns for shareholders. In 2013, Nanjing Nangang will leverage its edge in integrated management of production, sales and research activities to upgrade its products and improve quality, striving to achieve profitability. Hainan Mining will further improve its production and sales capabilities. In addition to optimizing production and operations at its base, it will develop and enhance its management and investment capabilities to groom itself into a leading domestic large-scale mining company with world-renowned edges in management and resources, and will proactively pursue its share listing.

For investment, against a backdrop of major economic trends outlined above, we will adhere to our investment philosophy and stay on identifying and tapping more growth investment opportunities in the China market. We will adhere to value investment as we target our radar screen on industries and enterprises that we see potential. We will pursue our investments during down cycles, add value to the investees through optimizing their management, make our divestures at more favorable timings in order to better realize value discovery, value creation and value actualization. We will adhere to our China momentum-driven principles. Opportunities that fit into our investment model of "combining China's growth momentum with global resources" will emerge systematically as a result of the changing economic dynamics in China. We will be able to accumulate more cases of success that are guided by this investment principle. We will invest more in industries that benefit from inflation, high-growth industries that are able to beat inflation and immune to inflation. We will invest more in industries and enterprises that benefit from the development of the internet.

For asset management, we will proceed further with the establishment of an integrated financing platform for limited partners. Through product innovation, we will greatly expand cooperation with insurance companies in the areas of property development for the elderly and healthcare treatment, and a fund management system centered on serving limited partners will be established. Meanwhile, we will strengthen our fund raising capabilities in the overseas markets and enhance our financing team buildings.

For insurance business, Yong'an P&C Insurance will catalyze on opportunities arising from the construction of an international shipping center in Shanghai to expand into marine insurance, including coverage for vessels and freights. Pramerica Fosun Life Insurance will continue to proliferate its existing sales channels to facilitate its access to the high-end insurance market and further improve the quality of its product lines. Peak Reinsurance is a newly invested reinsurance company by the Group in Hong Kong, which will inflict strategic implications on the Group's development in the future.

MISSION, VISION AND OBJECTIVES OF FOSUN

Our vision is to become a premium investment group.

In the future, we will establish an investment platform gradually and selectively through various methods (such as by attracting talents, establishing teams, through investment and mergers and acquisitions, etc.) on a global basis, across different industries, throughout the whole industrial chain and in a fully commercial manner, so as to make more high-return investments and accelerate the pursuit of our strategic development objective of becoming a premium investment group.

We will continue to adhere to our development principle of "Together We Make a Difference", insisting on our core values of "self-improvement, teamwork, performance and contribution to society", conforming to our corporate culture of frank exchange of views, staying legally compliant and highly transparent, embracing openness and harmony, perpetual learning and gratitude, adhering to entrepreneurial mindsets and unrelenting pursuit of excellence.

Regaining entrepreneurial spirits after 20 years since our establishment constitutes a realization of Fosun's culture and value at the current stage – firstly, it is required to put past results aside and start afresh in a clean slate; secondly, we need to establish and enhance our capabilities in various areas continuously to meet with challenges in the future; finally, we still need to adhere to our entrepreneurial spirits and avoid strong determination inefficiencies commonly associated with larger enterprises.

Facing the future with our mission, visionary objectives, culture and values, we will:

- continue to adhere to the business model of positive cycle value chain by focusing on the team of entrepreneurs as our core, sustaining connection with high-quality financing, continuing to capture investment opportunities and continuing to optimize management as our core capabilities, so as to create a premium investment group and assist investees to grow into domestic or global top-notch enterprises in their respective industries.

- continue to deepen our investment principle of "combining China's growth momentum with global resources" by tapping development momentum from consumption upgrading, resources and energy, manufacturing upgrading and financial services sector and staying connected with high-quality capital globally, premium brands, professional management and excellent team resources to maximize investment value.

- continue to establish the four major profit engines of insurance, industrial operations, investment and asset management, in particular, with more efforts on financial and insurance businesses which will be groomed into a major funding source to support our investments in the future.

I would like to take this opportunity to express my heart-felt thanks to members of the Board, all the staff of the Group, the team of entrepreneurs the Group invested in and cooperation partners for your confidence in and support for Fosun.

In 2013, we are going forward hand in hand!

Guo Guangchang
26 March 2013

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

As at the end of the Reporting Period, equity attributable to owners of the parent of the Group reached RMB35,197.3 million, representing an increase of 10.6% from the end of 2011. During the Reporting Period, profit attributable to owners of the parent of the Group amounted to RMB3,707.2 million, representing an increase of 8.9% over the same period of 2011, primarily due to the sound operation of the Group's segments and the gain on fair value adjustment of equity investments at fair value through profit or loss as a result of their rising share prices.

Asset Allocation of the Group

During the Reporting Period, the Group stuck to the philosophy of value investment, actively optimized its asset allocation and continued to implement the investment mode of "combining China's growth momentum with global resources" to build an investment portfolio benefiting from China's growth momentum. Meanwhile, the Group adjusted the business structure to describe its business strategy more clearly.

Unit: RMB million

Segment	Total assets in 2012 (As at 31 December 2012)	Total assets in 2011 (As at 31 December 2011)	Change over the same period last year
Insurance	7,793.5	608.1	+1,181.6%
Industrial Operations	117,931.4	106,715.4	+10.5%
Including: Fosun Pharma	25,420.8	22,103.1	+15.0%
Forte	50,508.0	42,526.7	+18.8%
Nanjing Nangang	37,288.8	37,375.7	-0.2%
Hainan Mining	4,713.8	4,709.9	+0.1%
Investment	41,297.9	35,688.7	+15.7%
Asset Management	13,987.7	12,526.0	+11.7%
Eliminations	(18,812.1)	(18,000.6)	+4.5%
Total	162,198.4	137,537.6	+17.9%

Insurance

The Group's insurance segment mainly includes Yong'an P&C Insurance, Pramerica Fosun Life Insurance and Peak Reinsurance.

Since 2007, the Group has been putting great efforts in the development of insurance business. Further to the investment in Yong'an P&C Insurance, in 2012, Pramerica Fosun Life Insurance and Peak Reinsurance invested by the Group also obtained operation approval and certificate of authorization from regulatory authorities, and commenced operation in Shanghai and Hong Kong respectively. The Group regarded the development of insurance business as a good means to connect Fosun's investment capability to high quality long-term capital. In this way, the above three insurance companies can improve their profits from underwriting by leveraging on the Group's extensive industrial operation experience and expertise in insurance and finance, and also realize their investment revenue through the Group's excellent investment capabilities. As a result, insurance business will be one of our core businesses to focus on in the future.

Yong'an P&C Insurance

During the Reporting Period, China Insurance Regulatory Commission approved the commencement of operation of the nationwide insurance sales company of Yong'an P&C Insurance in March 2012. The Shanghai branch of Yong'an P&C Insurance was officially opened in July 2012. Meanwhile, the marine insurance operation center in Shanghai focusing on marine insurance business has already been approved to prepare for establishment by China Insurance Regulatory Commission in December 2012. In 2012, the annual premium income and net profit of Yong'an P&C Insurance were RMB7,025.3 million and RMB181.7 million, representing an increase of 8.5% and a decrease of 36.1% as compared with the same period of 2011, respectively.

Pramerica Fosun Life Insurance

Pramerica Fosun Life Insurance is jointly owned by the Group and Prudential Financial, Inc. of the United States with each holding 50% of its equity interest. Pramerica Fosun Life Insurance commenced its operations in October 2012 with an initial registered capital of RMB500.0 million. Pramerica Fosun Life Insurance is the first joint venture insurance company in China established by a domestic non-state owned company and a foreign investor. The headquarters of Pramerica Fosun Life Insurance is located in Shanghai. The principal business of it includes offering life insurance, health insurance, casualty insurance and all other kinds of personal insurance products approved by China Insurance Regulatory Commission and related services to individual and group customers in China.

Peak Reinsurance

Peak Reinsurance obtained its certificate of authorization in respect of reinsurance business from the Office of the Commissioner of Insurance in Hong Kong at the end of 2012 with an issued capital of USD550.0 million. The Group holds 85.1% equity interest in Peak Reinsurance through an indirect subsidiary of Forte and International Finance Corporation holds the remaining 14.9% equity interest. Peak Reinsurance focuses on providing reinsurance products to companies mainly engaged in property and casualty insurance in Asia. In addition, Peak Reinsurance will also engage in the investment of its investable assets, with a view to realizing investment revenue while maintaining its financial soundness.

Industrial Operations

The industrial operations of the Group include Fosun Pharma, Forte, Nanjing Nangang and Hainan Mining.

Fosun Pharma

During the Reporting Period, Fosun Pharma successfully completed the initial public offering (IPO) in Hong Kong. In addition, Fosun Pharma further improved its financing channels and optimized its debt structure with the issuance of corporate bonds amounting to RMB1,500.0 million and short-term commercial paper amounting to RMB500.0 million.

For industrial operations, Fosun Pharma persisted in the path of growing through organic growth and external expansion and continuously strengthened the competitiveness and profitability of its principal businesses with drug manufacturing as the core business. As a result, Fosun Pharma managed to enhance its position in the industry on a sustained basis. Key products in the therapeutic field such as metabolism, digestive tract, cardiovascular, nervous system and anti-infection continued to develop rapidly. A number of products maintained a leading position in their respective market segments. Fosun Pharma also further strengthened its operational strength in the healthcare service industry, and basically developed a pattern of providing premium healthcare services through United Family Healthcare in first tier cities and specialist and general healthcare services in second and third tier cities.

During the Reporting Period, Sinopharm, 32.05% equity interest of which is owned by Fosun Pharma, continued to accelerate industry consolidation and maintained rapid business growth. Accordingly, Sinopharm further strengthened its leading position as the largest distributor and provider of supply chain services for pharmaceutical and healthcare products. During the Reporting Period, the distribution network of Sinopharm was expanded to cover 30 provinces, autonomous regions and municipalities directly under the Central Government in China, creating an extensive distribution network consisting of 51 distribution centers in total and actually covering 180 cities. Sinopharm’s direct customers comprised 10,351 hospitals (including 1,321 largest class-three hospitals of the highest grade), representing approximately 76.7% of all hospitals in China and 94.4% of class-three hospitals. During the Reporting Period, the pharmaceutical distribution business of Sinopharm achieved revenue of RMB 128,319.7 million, representing a year-on-year growth of 33.2%. Meanwhile, the pharmaceutical retail business of Sinopharm maintained growth and achieved revenue of RMB 3,982.6 million in 2012, representing a year-on-year growth of 30.8%. The pharmacy network of Sinopharm expanded further and the number of retail pharmacies owned by it reached 1,785.

During the Reporting Period, net profit from the core enterprises of Fosun Pharma, such as Chongqing Yaoyou Pharmaceuticals Co., Ltd. and Jiangsu Wanbang Biopharmaceutical Company Limited, achieved rapid growth. Meanwhile, Fosun Pharma strengthened its competitiveness in the therapeutic field of central nervous system by acquiring Hunan Dongting Pharmaceutical Co., Ltd.. Fosun Pharma also completed the acquisition of Jiangsu Suqian Zhongwu Hospital (江蘇宿遷市鐘吾醫院), thus laying a more solid foundation for developing its medical service business.

During the Reporting Period, the revenue and profit attributable to owners of the parent of Fosun Pharma were as follows:

Unit: RMB million

	2012	2011	Change over the same period last year
Revenue	7,278.3	6,432.6	+13.1%
Profit attributable to owners of the parent	723.4	560.3	+29.1%

During the Reporting Period, the increase in both the revenue and profit attributable to owners of the parent of Fosun Pharma was mainly attributable to the rapid development of its business in areas such as pharmaceutical manufacturing, research and development, pharmaceutical commerce and investment.

Forte

In 2012, China's property market entered the third year since austerity measures have been imposed on the sector. During the year, the property market regulation as the main regulatory priority has not been relaxed, the policies launched, however, have been gradually adjusted from frequent and escalating launches in 2010 and 2011 to more moderate and reasonable policies to stabilize the market. The fundamentals of the overall industry have turned upwards, where demands for first-time housing and improvement housing were released gradually and first and second tier cities led the market with a rise in transaction volume, which even picked up to a moderate extent at the year-end. Throughout the year, a total of RMB7.2 trillion was invested in property development across the country, representing an increase of 16.2% as compared to 2011, while the total sales of commercial housing in China reached RMB6.4 trillion, representing an increase of 10% over 2011.

Forte further fine-tuned and worked out its own strategy of "synchronous development of residential and commercial housing, rapid pace of turnaround, deep presence in regions, launch of quality housing to market" for the property development segment. Against the backdrop of macro control, Forte responded promptly to changes in the market to reorient operation strategy and speeded up its turnaround with prudent bidding for land reserves. In addition, it drew up specific sales plans according to the actual conditions in different cities. Forte executed the sales strategy of proactive de-inventory at the beginning of the year, which was then tuned up to supply mass new housing to the market in light of the improved market conditions during the second half of the year. By hastening the sales vigorously, Forte finally reaped satisfactory performance in the whole year.

During the Reporting Period, Forte's GFA under development was approximately 7,764,702 sq.m., and attributable GFA amounted to 5,216,616 sq.m., representing an increase of approximately 23.6% compared with the same period of 2011 (2011: attributable GFA of approximately 4,219,877 sq.m.).

In addition, during the Reporting Period, the GFA of newly commenced projects was approximately 3,745,239 sq.m., and attributable GFA amounted to approximately 2,417,522 sq.m., representing an increase of approximately 66.0% compared with the same period of 2011 (2011: attributable GFA of approximately 1,456,779 sq.m.).

During the Reporting Period, the GFA of completed projects was approximately 2,140,614 sq.m., and attributable GFA was approximately 1,543,510 sq.m., representing an increase of approximately 19.4% compared with the same period of 2011 (2011: attributable GFA of approximately 1,292,803 sq.m.).

Project reserves

During the Reporting Period, Forte obtained projects in four cities with planned GFA of approximately 2,737,000 sq.m. newly added as project reserves, and attributable GFA was approximately 1,429,000 sq.m., representing a decrease of approximately 46.9% compared with the same period of 2011 (2011: attributable GFA of approximately 2,690,000 sq.m.).

As of 31 December 2012, Forte totally owned project reserves with planned GFA of approximately 17,730,000 sq.m., and attributable GFA was approximately 10,820,000 sq.m., representing a decrease of approximately 3.1% compared with the same period of 2011 (2011: attributable GFA of approximately 11,170,000 sq.m.).

Property sales

During the Reporting Period, property contract sales area and contract sales revenue of approximately 1,504,777.56 sq.m. and RMB16,878.09 million were realized, and attributable contract sales area and contract sales revenue amounted to approximately 1,100,953.44 sq.m. and RMB12,144.06 million, representing an increase of approximately 18.6% and 29.0% respectively, compared with the same period of 2011 (2011: attributable contract sales area and contract sales revenue of approximately 927,972 sq.m. and RMB9,416.6 million).

Property booked

During the Reporting Period, the property area (booked area) and property amount (booked amount) booked was approximately 1,301,064 sq.m. and RMB13,240.0 million (including the projects of jointly-controlled entities and associates owned by Forte but excluding the projects developed by the associate Zendai), respectively. Attributable area and amount booked amounted to approximately 973,415 sq.m. and RMB9,940.1 million, representing an increase of approximately 8.5% and a decrease of approximately 0.5% respectively, compared with the same period of 2011 (2011: attributable area and amount booked of approximately 897,384 sq.m. and RMB9,890.8 million).

As at 31 December 2012, the area and amount sold but not booked was approximately 1,285,750 sq.m. and RMB15,814.8 million respectively, and attributable area and amount sold but not booked amounted to approximately 891,090 sq.m. and RMB10,934.0 million, representing an increase of approximately 10.6% and 31.3% respectively, compared with the same period of 2011 (2011: attributable area and amount sold but not booked of approximately 805,911 sq.m. and RMB8,328.2 million) (including the projects of jointly-controlled entities and associates owned by Forte but excluding the projects developed by the associate Zendai).

During the Reporting Period, the revenue and profit attributable to owners of the parent of Forte were as follows:

Unit: RMB million

	2012	2011	Change over the same period last year
Revenue	10,478.0	9,544.7	+9.8%
Profit attributable to owners of the parent	1,522.2	1,645.8	-7.5%

During the Reporting Period, the increase in the revenue was mainly attributable to the increase in the sales area of Forte's property under development compared with last year. And the decrease in profit attributable to owners of the parent of Forte was in line with the drop of gross profit margin booked from property projects completed by Forte.

Nanjing Nangang

During the Reporting Period, due to the effect of the global macro-economic situation and factors such as the control measures implemented in China's property sector, and a slowdown in the growth of the vehicle market and a decrease in fixed asset investment, demand from industries which are main steel users was weakened and steel consumption and prices decreased. Its core problems were overcapacity and insufficient demand. The whole industry showed a situation of "two highs and two lows", namely, high cost, high output, low growth and low efficiency.

Against this backdrop, the economic efficiency of Nanjing Nangang was dampened to a certain extent, but its main competitiveness indicators still maintained a leading position in the industry. In the major economic indicator rankings of nationwide iron and steel enterprises with more than 5.0 million tonnes of steel from January to November 2012 newly released by the China Iron and Steel Association, the Overall Economic Efficiency Index of Nanjing Iron & Steel, a subsidiary of Nanjing Nangang, ranked 5th, showing a clear comparative advantage in the industry.

The development goal of Nanjing Nangang is to become a dominant enterprise with the greatest competitiveness in the iron and steel industry chain and a leader in the high-end niche market segment.

Main products of Nanjing Iron & Steel	**Sales in 2012 ('000 tonnes)**
Medium and heavy plates	3,349.7
High strength ship plates	348.6
Boiler and pressure vessel plates	294.9
Pipeline steel plates (straight seam)	291.4
Bearing steel	232.6

Meanwhile, Nanjing Nangang also owns a controlling stake in Jin'an Mining, the main product of which is iron concentrate (2012 reserve volume amounted to 78,411.4 thousand tonnes). Its major production data was as follows:

	Output of iron concentrate ('000 tonnes)
2012	909.9
2011	1,001.0
Change over the same period last year	-9.1%

During the Reporting Period, the revenue and profit attributable to owners of the parent of Nanjing Nangang were as follows:

Unit: RMB million

	2012	2011	Change over the same period last year
Revenue	31,717.2	38,224.1	-17.0%
(Loss)/Profit attributable to owners of the parent	(289.4)	233.0	-224.2%

During the Reporting Period, the declined revenue and the loss of Nanjing Nangang were primarily due to a decrease in both average selling prices and sales volume of products. Meanwhile, the fall in average selling prices of products far exceeded the fall in average prices of raw materials in the upstream industry, leading to a decrease in revenue and the loss.

Hainan Mining

During the Reporting Period, prices of iron ore experienced a sharp decline due to a downturn in the downstream steel industry. Leveraging on its advantages, Hainan Mining strengthened the expansion of marketing channels. Its annual sales of iron ore reached 3,828.98 thousand tonnes, representing an increase of 4.2% as compared with the same period last year. Meanwhile, Hainan Mining actively promoted its listing process and disclosed the IPO prospectus (application draft) in April 2012.

The main product of Hainan Mining is iron ore (2011 reserve volume amounted to 256,678.7 thousand tonnes and 2012 reserve volume amounted to 252,020.0 thousand tonnes). Its major production data was as follows:

	Output of iron ore ('000 tonnes)
2012	3,878.3
2011	3,761.6
Change over the same period last year	3.1%

During the Reporting Period, the revenue and profit attributable to owners of the parent of Hainan Mining were as follows:

Unit: RMB million

	2012	2011	Change over the same period last year
Revenue	2,151.5	2,611.0	-17.6%
Profit attributable to owners of the parent	462.8	743.3	-37.7%

During the Reporting Period, the decrease in both the revenue and profit attributable to owners of the parent of Hainan Mining was mainly attributable to a decrease in average selling prices of iron ore and iron concentrate.

Investment

The Group adheres to the philosophy of value investment, and makes investment in a series of enterprises benefiting from China's growth momentum in the domestic and international markets, based on its model of "combining China's growth momentum with global resources". The Group's investment business is comprised of five segments: investments in strategic associates, private equity investments ("**PE**"), secondary market investments, capital contribution to the Group's asset management business as a limited partner ("**LP investment**") and other investments.

Investments in strategic associates

The Group's investments in strategic associates include Yuyuan, Jianlong Group and Shanjiaowulin.

Yuyuan

Yuyuan is mainly engaged in commercial retail and gold and jewellery wholesale and retail, and it holds part of the stakes in Zhaojin Mining. During the Reporting Period, the principal operations of Yuyuan maintained rapid development, continued to expand and strengthen the sales of gold and jewellery, with a particular emphasis on the channel construction of high-value consumer goods. Meanwhile, Yuyuan also increased its investments in commercial properties.

During the Reporting Period, Yuyuan's operational revenue reached RMB20,297.7 million, representing a growth of 22.3% over the same period last year, with net profit attributable to shareholders of the listed company of RMB967.9 million, representing a growth of 13.2% over the same period last year. (The 2012 financial data is taken from Yuyuan's 2012 financial highlights announced on 23 March 2013.) "Laomiao Gold" and "Yayi Gold", two well-known trademarks in China, in Yuyuan's gold and jewellery sector, made full use of their brand advantages and increased their efforts in the construction of retail chain channels of gold and jewellery. As at the end of the Reporting Period, the chain outlets of these two stores increased to 1,658 from 1,446.

Jianlong Group

Jianlong Group is a steel manufacturer in North China and Northeast China, with its major steel production facilities located in Tangshan and Chengde of Hebei Province, Fushun of Liaoning Province, Shuangyashan of Heilongjiang Province and Panshi of Jilin Province. The crude steel production scale of Jianlong Group exceeded 14.0 million tonnes in 2012. Its principal products include hot rolling medium wide strips, cold rolling medium wide strips, hot rolling narrow strips, cold rolling narrow strips, hot rolling coils, reinforcing bars and wire rods and sectional material.

In 2012, Jianlong Group experienced the most serious challenge in production operations since its inception. The steel industry remained in the doldrums with industry-wide losses and prices of iron ore fell sharply. Therefore, the production operations of Jianlong Group were exposed to an enormous ordeal. In the face of such ordeal, all employees worked hard together to ensure the stability of the production operations of Jianlong Group. In 2012, Jianlong Group achieved a steel output of 13.8 million tonnes, iron concentrate of 2.9 million tonnes. Revenue from its principal business activities reached RMB67,700.0 million, and total profit amounted to RMB389.0 million, of which the steel segment accounted for RMB47.0 million and the resources segment accounted for RMB413.0 million. Tax contribution accounted for RMB2,500.0 million. Jianlong Group's net losses attributable to owners of the parent amounted to RMB160.0 million.

Jianlong Group also owns a controlling stake in Huaxia Mining, whose main product is iron concentrate (2012 reserve volume amounted to 4,232.0 million tonnes). Its principal production data was as follows:

	Output of iron concentrate ('000 tonnes)
2012	2,496.4
2011	2,552.0
Change over the same period last year	-2.2%

Shanjiaowulin

Shanjiaowulin is a joint venture between the Group and Shanxi Coking Coal Group Co., Ltd.. It is a new coal mine with raw coal reserves such as prime coking coal. After years of construction, Shanjiaowulin has initially formed a complete industrial chain covering from coal production to coke processing, further to the deep processing of methanol and other coal chemical industrial chains.

The main product of Shanjiaowulin is coke (2012 reserve volume amounted to 767.6 million tonnes). Its principal production data was as follows:

	Output of coke ('000 tonnes)
2012	835.4
2011	811.1
Change over the same period last year	3.0%

PE

The Group's investments in the PE include enterprises such as Zhaojin Mining.

Zhaojin Mining

Zhaojin Mining is a large conglomerate with exploration, mining, processing and smelting operations focusing on the gold production business. In 2012, Zhaojin Mining was committed to maintaining strategic cooperation with the local governments, large-scale geological exploration entities and large enterprises. Through equity mergers and acquisitions as well as the implementation of full-scale development, it aimed to seize high-quality resources and play a leading role in driving the industrial bases in Shandong, Xinjiang and Gansu. It also increased the efforts in resources integration in the periphery of industrial clusters, which further enhanced the company's resources strength.

The main product of Zhaojin Mining is mine-produced gold (2012 reserve volume amounted to 539.3 tonnes). Its principal production data was as follows:

	Output of mine-produced gold (tonne)
2012	18.1
2011	15.9
Change over the same period last year	13.5%

Note: Based on the standards of the Joint Ore Reserves Committee in Australia (the "JORC").

Secondary market investments

The Group's investments in the secondary market include Focus Media, Club Med, Folli Follie and Minsheng Bank, etc.

Focus Media

Focus Media is an important investment of the Group in the culture and media industry. According to the financial statements prepared in accordance with US GAAP, Focus Media recorded the total net operating revenue of USD927.5 million for the whole year of 2012, representing a growth of 18% over the same period last year, with the net profit of USD238.1 million for the whole year of 2012, representing a growth of 46% over the same period last year. As at the end of December 2012, the Group participated in the privatization consortium for leveraged buyout of Focus Media, and jointly issued a formal offer. The Group participated in the privatization project of Focus Media and continued to be one of the significant shareholders of Focus Media, which indicated its support to Focus Media and its management team.

Club Med

Club Med was an important representative of the Group in "combining China's growth momentum with global resources" investment model in 2010. During the Reporting Period, the Group continued to increase its shareholdings to 9.96% by way of investment in the public market. With respect to its performance, under the circumstances of a continuous downturn in the European economy, especially the tourism industry in Europe, Club Med actively developed overseas markets. With performance enhancement in Asia and America, as well as the sustained effect of the hotel upgrade strategy, its results were maintained at the profitability level of financial year of 2011 with a slight increase. Its net profit remained at Euro2.0 million in financial year of 2012, and it got rid of losses for the second consecutive year. Especially after the Group invested in Club Med and entered into strategic cooperation, Club Med's development strategy in China has achieved remarkable results. The mutual cooperative relationship was reinforced and the synergies of the resources of both parties have emerged gradually. In financial year of 2012, its sales revenue in China increased by more than 30.0% over the same period last year. According to Club Med's development plan, it will have five resorts altogether in China by 2015 and China will be its second largest market after France in the world.

Folli Follie

Folli Follie, a globally renowned fashion retail group, was an overseas strategic investment of the Group in 2011. As at the end of 2012, the Group held 9.96% equity interest, and Pramerica-Fosun China Opportunity Fund, managed by the Group, held 3.89% equity interest in Folli Follie, amounting to 13.85% equity interest in total.

During the Reporting Period, the sales revenue in the third quarter of 2012 of Folli Follie was Euro841.5 million, representing a growth of 8.5% over the same period last year, and the net profit was Euro89.6 million, representing an increase of 8.8% over the same period last year.

In October 2012, Folli Follie reached an agreement with Dufry AG, a globally famous tourism retail enterprise, in respect of the transfer of 51.0% equity interest in its tourism retail operations in Greece. Pursuant to such agreement, Folli Follie would reduce its debts by Euro335.0 million and receive Euro200.5 million in cash. It was expected that both parties would complete the relevant approval procedures and carry out the settlement in the first quarter of 2013. After the completion of such transaction, Folli

Follie's debt burden will be greatly reduced, and its balance of bank loans (excluding finance lease payables) will be basically the same as the carrying amount of the cash balance.

Due to the double positive stimuli of the outstanding performance of the company and the entering into of the above-mentioned agreement, the share price of Folli Follie in the secondary market strongly rebounded in the second half of 2012 with an increase of 67.4% throughout the year, which was much better than the overall performance of the Athens stock market.

Since its investment in 2011, the Group has leveraged on its solid industrial foundation and extensive channel resources in China to assist Folli Follie’s development in Greater China in areas such as shop opening and brand building. Folli Follie achieved a continuous strong growth in the sales results from China and a significant enhancement of the speed of shop opening.

Minsheng Bank

Minsheng Bank is an important investment of the Group in the financial service sector. According to the financial highlights released by Minsheng Bank on 19 January 2013, the operating revenue of Minsheng Bank for the year of 2012 was RMB103,090 million, representing a growth of 25.16% over 2011. The net profit attributable to owners of the parent for the year of 2012 was RMB37,555 million, representing a growth of 34.51% over 2011. The weighted average return on equity for the year of 2012 was 25.24%, representing a growth of 1.29 percentage points over 2011. The non-performing loan ratio as at the end of 2012 was 0.76%, representing a growth of 0.13 percentage point over the end of 2011. According to the third quarterly report for 2012 of Minsheng Bank, the balance of loans for small enterprises amounted to RMB280,532 million as at the end of the third quarter of 2012, representing a growth of RMB48,037 million or 20.66% over the end of 2011.

LP investment

The Group made investment through capital contribution as a limited partner, while proactively developing its asset management business. As at 31 December 2012, the Group committed to contribute a total of RMB3,088.0 million, of which RMB2,542.1 million was actually contributed (RMB241.9 million was contributed by Forte to real estate series funds of Forte).

Other investments

The Group's other investments included The Bund Finance Center, Shanghai Zhenru, Dalian Donggang, Chongqing Jinling, Resource Property and Starcastle Senior Living. etc.

The Bund Finance Center

The Bund Finance Center is a high-end complex project located in the core zone of the Bund in Shanghai, which made good progress in 2012 and is expected to be completed in 2015.

Shanghai Zhenru

Shanghai Zhenru is an urban complex project located in Zhenru Sub-CBD in Shanghai, and is expected to be launched for sale in 2013.

Dalian Donggang

Dalian Donggang is a high-end urban complex project located in the CBD of Donggang district of Dalian, which was launched for sale at the end of 2012, achieving contracted sales of RMB100.0 million, and the first phase of which is expected to be completed in 2014.

Chongqing Jinling

Chongqing Jinling is a residential project located in Huangjueping area of Chongqing, the construction of which is expected to commence in 2013.

Resource Property

Resource Property is an integrated service provider of property circulation industry of the Group. In 2012, it overcame the adverse situation resulting from the effect of the policy of restricting housing purchases in main cities, and maintained a continuous rising trend in its new business development.

Starcastle Senior Living

Starcastle Senior Living is a joint venture jointly established by the Group and Fortress Investment Group LLC, accounting for 50.0% interests respectively, for the purpose of developing the property market for senior citizens in China. The company's first high-end healthcare project customized for Chinese senior citizens has commenced operations in early 2013.

Asset Management

In 2012, amidst severe external economic environment challenges, the Group continuously expanded the third party asset management business by upholding the investment philosophy of "combining China's growth momentum with global resources" and consistently generated long term and stable returns for limited partners. The funds currently managed by the Group cover various types of assets portfolio, such as growth fund and property development fund, i.e. Fosun Capital, Fosun Chuanghong, Star Capital, Pramerica-Fosun China Opportunity Fund, Carlyle-Fosun and real estate series funds of Forte, etc.. The asset management business of the Group mainly targeted domestic and international high-end large institutional clients and high net worth individual clients and is actively seeking institutional investors and large enterprises to become limited partners of the Group for long term cooperation.

As at the end of the Reporting Period, the asset management of the Group raised funds amounting to RMB16,658.1 million [note 1], of which the self-committed capital contribution amounted to RMB3,088.0 million [note 2], the revenue from the management fee of the asset management business amounted to RMB343.7 million [note 3]. In 2012, the asset management business of the Group invested in a total of 28 additional new projects and increased investments in 5 existing projects with an accumulated investment of RMB4,435.2 million.

Note 1: the size of real estate series funds of Forte was RMB3,437.1 million.
Note 2: Forte committed to provide funds of RMB241.9 million.
Note 3: the management fee generated from real estate series funds of Forte was RMB32.9 million which was accounted for in Forte's financial statements.

FINANCIAL REVIEW

INTEREST EXPENSES

Interest expenses net of capitalized amounts of the Group increased to RMB2,727.8 million in 2012 from RMB2,328.7 million in 2011. The increase in interest expenses was mainly attributable to the growth in scale of the total borrowings. The interest rates of borrowings in 2012 were approximately between 1.44% and 15%, as compared with approximately between 1% and 12.18% in 2011.

TAX

Tax decreased to RMB1,334.1 million in 2012 from RMB1,818.4 million in 2011. The decrease in tax was mainly resulted from the decrease in taxable profit from the industrial operations.

CAPITAL EXPENDITURES

The capital expenditures of the Group mainly include the amounts spent on construction of plant, upgrade and addition of machineries and equipment, and increase in intangible assets and rights. We have been increasing our investment in the research and development of pharmaceutical products in order to produce more proprietary products with higher gross profit margin. We continued our commitment in property development, but will adjust our strategy according to market conditions. In order to enhance the production capacity of the steel segment and the optimization of product mix, we have increased the investment in the steel segment. Efforts will also be made in the mining segment with an aim to continuously strengthen our leading role in the industry. The amount of capital expenditures of the Group during the Reporting Period were RMB4,832.0 million.

INDEBTEDNESS AND LIQUIDITY OF THE GROUP

As at 31 December 2012, the total debt of the Group was RMB56,902.6 million, representing a relatively large increase over RMB54,057.5 million as at 31 December 2011, which was mainly due to the increase in borrowings as a result of business expansion of all segments of the Group. As at 31 December 2012, mid-to-long-term debt of the Group accounted for 52.5% of total debt, as opposed to 56.2% as at 31 December 2011. As at 31 December 2012, cash and bank balances increased by 31.7% to RMB22,088.5 million as compared with RMB16,777.8 million as at 31 December 2011.

PLEDGED ASSETS

As at 31 December 2012, the Group had pledged assets of RMB23,939.2 million (31 December 2011: RMB17,004.0 million) for bank borrowings.

CONTINGENT LIABILITIES

As at 31 December 2012, contingent liabilities of the Group were RMB4,265.0 million (31 December 2011: RMB3,591.6 million) which were primarily applied to guarantee the mortgage loans of qualified buyers.

INTEREST COVERAGE

In 2012, EBITDA divided by interest expense was 3.9 times as compared with 4.9 times in 2011. The decrease of interest coverage was mainly attributed to the increase of interest expenses by 17.1% resulted from the substantial increase in total debt of the Group in 2012 compared with that in 2011.

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2012

	Notes	2012 RMB'000	2011 RMB'000
REVENUE	3	51,764,746	56,816,215
Cost of sales		(42,439,678)	(46,249,903)
Gross profit		9,325,068	10,566,312
Other income and gains	3	5,295,763	4,111,783
Selling and distribution expenses		(2,449,870)	(2,122,999)
Administrative expenses		(3,328,291)	(2,871,202)
Other expenses		(1,034,870)	(1,989,955)
Finance costs	4	(2,773,661)	(2,381,748)
Share of profits and losses of:			
Jointly-controlled entities		69,077	32,076
Associates		1,174,777	1,538,827
PROFIT BEFORE TAX	5	6,277,993	6,883,094
Tax	6	(1,334,085)	(1,818,370)
PROFIT FOR THE YEAR		4,943,908	5,064,724
Attributable to:			
Owners of the parent		3,707,201	3,403,605
Non-controlling interests		1,236,707	1,661,119
		4,943,908	5,064,724
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
- Basic and diluted (RMB)	8	0.58	0.53

Details of the dividends payable and proposed for the year are disclosed in note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2012

	2012 RMB'000	2011 RMB'000
PROFIT FOR THE YEAR	**4,943,908**	**5,064,724**
OTHER COMPREHENSIVE INCOME		
Available-for-sale investments:		
Changes in fair value	(49,321)	569,121
Reversal of changes in fair value arising from an available-for-sale investment becoming an associate	-	(58,283)
Reclassification adjustments for gains included in the consolidated income statement		
- gain on disposal	(543,799)	(835,022)
Income tax effect	44,476	(241,808)
	(548,644)	(565,992)
Share of other comprehensive income/(loss) of jointly-controlled entities	10,794	(2,514)
Share of other comprehensive income/(loss) of associates	(78,166)	(231,297)
Exchange differences on translation of foreign operations	30,180	(129,948)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	(585,836)	(929,751)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**4,358,072**	**4,134,973**
Attributable to:		
Owners of the parent	3,519,105	2,285,644
Non-controlling interests	838,967	1,849,329
	4,358,072	**4,134,973**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2012

	Note	2012 RMB'000	2011 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		24,295,887	21,513,247
Investment properties		3,985,000	3,026,000
Prepaid land lease payments		1,801,237	1,405,937
Exploration and evaluation assets		1,620	456,722
Mining rights		821,565	421,589
Intangible assets		1,244,004	1,248,872
Goodwill		1,736,060	1,659,425
Investments in jointly-controlled entities		6,760,773	1,409,737
Investments in associates		15,258,677	17,275,611
Available-for-sale investments		7,382,891	8,437,265
Properties under development		7,966,996	6,885,559
Due from related companies		-	448,642
Loans receivable		1,944,236	2,234,432
Prepayments		670,723	676,313
Inventories		372,222	-
Deferred tax assets		2,212,578	1,521,131
Total non-current assets		76,454,469	68,620,482
CURRENT ASSETS			
Cash and bank balances		22,088,468	16,777,753
Equity investments at fair value through profit or loss		10,656,075	7,406,727
Trade and notes receivables	9	5,600,118	6,506,112
Prepayments, deposits and other receivables		4,975,712	3,853,964
Inventories		6,371,599	7,119,548
Completed properties for sale		4,580,194	2,583,146
Properties under development		27,333,872	22,428,345
Loans receivable		807,102	132,250
Due from related companies		3,118,450	1,856,159
		85,531,590	68,664,004
Non-current asset /assets of a disposal group classified as held for sale		212,293	253,132
Total current assets		85,743,883	68,917,136

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2012

	Notes	2012 RMB'000	2011 RMB'000
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		26,917,695	23,532,459
Loans from related companies		115,000	167,830
Trade and notes payables	10	15,626,765	11,330,982
Accrued liabilities and other payables		18,818,620	13,035,226
Tax payable		2,727,170	2,737,186
Finance lease payables		41,981	43,966
Derivative financial instruments		-	9,228
Due to the holding company		2,440,986	1,431,144
Due to related companies		3,293,834	1,914,420
		69,982,051	54,202,441
Liabilities directly associated with the assets classified as held for sale		-	57,048
Total current liabilities		69,982,051	54,259,489
NET CURRENT ASSETS		15,761,832	14,657,647
TOTAL ASSETS LESS CURRENT LIABILITIES		92,216,301	83,278,129
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		29,779,651	30,357,179
Loans from a related company		90,250	-
Finance lease payables		83,441	119,998
Deferred income		193,592	213,060
Due to related companies		1,013,120	824,137
Other long term payables		652,102	334,864
Deferred tax liabilities		3,185,749	2,942,737
Total non-current liabilities		34,997,905	34,791,975
Net assets		57,218,396	48,486,154
EQUITY			
Equity attributable to owners of the parent			
Issued capital		621,497	621,497
Reserves		33,690,623	30,391,347
Proposed final dividend	7	885,181	817,340
		35,197,301	31,830,184
Non-controlling interests		22,021,095	16,655,970
Total equity		57,218,396	48,486,154

1.1 BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and certain equity investments, which have been measured at fair value. Disposal groups and non-current assets held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

Other than as further explained below regarding the impact of amendments to HKAS 12, the adoption of the revised HKFRSs has had no significant financial effect on these financial statements.

The HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis.

The presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale has been rebutted by the Group as the Group's investment properties are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Accordingly deferred tax has been determined on the basis of recovery through use. The adoption of the amendments did not have any impact on the financial position or performance of the Group.

1.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans* [2]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* [2]
HKFRS 9	*Financial Instruments* [4]
HKFRS 10	*Consolidated Financial Statements* [2]
HKFRS 11	*Joint Arrangements* [2]
HKFRS 12	*Disclosure of Interests in Other Entities* [2]
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance* [2]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities* [3]
HKFRS 13	*Fair Value Measurement* [2]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income* [1]
HKAS 19 (2011)	*Employee Benefits* [2]
HKAS 27 (2011)	*Separate Financial Statements* [2]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures* [2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* [3]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine* [2]
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012 [2]

[1] Effective for annual periods beginning on or after 1 July 2012
[2] Effective for annual periods beginning on or after 1 January 2013
[3] Effective for annual periods beginning on or after 1 January 2014
[4] Effective for annual periods beginning on or after 1 January 2015

1.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (continued)

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

The HKFRS 7 Amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32 *Financial Instruments: Presentation*. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with HKAS 32. The Group expects to adopt the amendments from 1 January 2013.

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

1.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (continued)

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 January 2015. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

HKFRS 10 establishes a single control model that applies to all entities including special purpose entities or structured entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled, compared with the requirements in HKAS 27 and HK(SIC)-Int 12 *Consolidation – Special Purpose Entities.* HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also addresses the issues raised in HK(SIC)-Int 12. Based on the preliminary analyses performed, HKFRS 10 is not expected to have any significant impact on the currently held investments of the Group.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. Based on the preliminary analysis performed, HKFR 11 is not expected to have material impact on the consolidated financial statement of the Group.

HKFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

In July 2012, the HKICPA issued amendments to HKFRS 10, HKFRS 11 and HKFRS 12 which clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before HKFRS 12 is first applied.

1.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (continued)

The amendments to HKFRS 10 issued in December 2012 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with HKFRS 9 rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuance of HKFRS 10, HKFRS 11 and HKFRS 12. The Group expects to adopt HKFRS 10, HKFRS 11, HKFRS 12 , HKAS 27 (2011), HKAS 28 (2011), and the subsequent amendments to these standards issued in July and December 2012 from 1 January 2013.

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. The Group expects to adopt HKFRS 13 prospectively from 1 January 2013.

The HKAS 1 Amendments change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gain on hedge of a net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments will affect presentation only and have no impact on the financial position or performance. The Group expects to adopt the amendments from 1 January 2013.

HKAS 19 (2011) includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The revised standard introduces significant changes in the accounting for defined benefit pension plans including removing the choice to defer the recognition of actuarial gains and losses. Other changes include modifications to the timing of recognition for termination benefits, the classification of short-term employee benefits and disclosures of defined benefit plans. The Group expects to adopt HKAS 19 (2011) from 1 January 2013.

The HKAS 32 Amendments clarify the meaning of “currently has a legally enforceable right to set off” for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2014.

1.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (continued)

The *Annual Improvements to HKFRSs 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of HKFRSs. The Group expects to adopt the amendments from 1 January 2013. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have a significant financial impact on the Group. Those amendments that are expected to have a significant impact on the Group's policies are as follows:

(a) HKAS 1 *Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

(b) HKAS 32 *Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

1.4 CHANGE IN ACCOUNTING ESTIMATE

On 25 March 2012, the directors of an indirect subsidiary of the Company, Nanjing Iron & Steel Co., Ltd., and its subsidiaries approved a resolution to change the estimated useful lives of the buildings, plant and machinery and motor vehicles included in their property, plant and equipment as follows:

Buildings	from 20 years to 30 years
Plant and machinery	from 10 years to 15 years
Motor vehicles	from 5 years to 5 ~ 10 years

The change in accounting estimate is a result of technical innovations and maintenance effort on the property, plant and equipment and is based on the reassessment by the directors of Nanjing Iron & Steel Co., Ltd. according to the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions and reference to the market common practice. Such change in accounting estimate was applied to the holding company of Nanjing Iron & Steel Co., Ltd., Nanjing Nangang Iron & Steel United Co., Ltd. (“Nanjing Nangang”) and all its subsidiaries. The effect of such change in accounting estimate was recognised prospectively from 1 January 2012 and decreased the depreciation charges of the Group for the year ended 31 December 2012 by approximately RMB678,000,000.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has seven reportable operating segments as follows:

(i) Pharmaceuticals and healthcare segment comprises the business of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma") and its subsidiaries. Fosun Pharma and its subsidiaries mainly engage in the research and development, manufacture, sale and trading of pharmaceutical and healthcare products;

(ii) Property segment comprises the business of Shanghai Forte Land Co., Ltd. ("Forte") and its subsidiaries, excluding its investment in the insurance business. Forte and its subsidiaries mainly engage in the development and sale of properties in the PRC;

(iii) Steel segment comprises the business of Nanjing Nangang and its subsidiaries. Nanjing Nangang and its subsidiaries mainly engage in the manufacture, sale and trading of iron and steel products;

(iv) Mining segment comprises the business of Hainan Mining Co., Ltd. ("Hainan Mining") and its subsidiaries. Hainan Mining and its subsidiaries mainly engages in the mining and ore processing of various metals;

Pharmaceuticals and healthcare segment, property segment, steel segment and mining segment listed above all belong to one industrial operations sector of the Group.

(v) the asset management segment engages in the asset management business through the platform such as corporation funds, partnership funds and trusts;

(vi) the insurance segment engages in the operation of and investment in the insurance business; and

(vii) the investment segment comprises, principally, the investments in strategic associates, private equity investments, secondary market investments, limited partner investments and other investments.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. In the year ended 31 December 2012, as the management changes the structure of the Group's internal organisation to match its business development strategy in a manner that causes the Group's composition of its reportable segments to change, some entities within the Group were re-structured to reflect such change.

Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group's profit or loss after tax except that head office and corporate expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2012

	Industrial Operations								
	Pharmaceuticals and healthcare RMB'000	**Property RMB'000**	**Steel RMB'000**	**Mining RMB'000**	**Asset management RMB'000**	**Insurance RMB'000**	**Investment RMB'000**	**Eliminations RMB'000**	**Total RMB'000**
Segment revenue:									
Sales to external customers	7,278,287	10,476,151	31,717,201	1,949,962	159,742	-	183,403	-	51,764,746
Inter-segment sales	-	1,840	-	201,579	151,083	-	58,685	(413,187)	-
Other income and gains	1,120,827	258,262	531,484	17,578	33,740	-	2,443,753	(38,799)	4,366,845
Total	8,399,114	10,736,253	32,248,685	2,169,119	344,565	-	2,685,841	(451,986)	56,131,591
Segment results	**1,622,702**	**2,522,960**	**(77,870)**	**1,119,669**	**(35,894)**	**(24,898)**	**2,117,368**	**103,007**	**7,347,044**
Interest and dividend income	63,142	55,181	384,068	8,525	24,159	-	813,816	(419,973)	928,918
Unallocated expenses									(468,162)
Finance income/(costs)	(370,457)	(286,474)	(1,182,096)	(41,906)	(13,177)	63	(881,454)	1,840	(2,773,661)
Share of profits and losses of									
- Jointly-controlled entities	(1,514)	138,761	11,408	-	(42,167)	(33,822)	(3,589)	-	69,077
- Associates	811,495	179,219	2,099	-	-	-	181,964	-	1,174,777
Profit/(loss) before tax	2,125,368	2,609,647	(862,391)	1,086,288	(67,079)	(58,657)	2,228,105	(315,126)	6,277,993
Tax	(283,764)	(842,334)	275,452	(314,963)	16,023	-	(245,005)	60,506	(1,334,085)
Profit/(loss) for the year	1,841,604	1,767,313	(586,939)	771,325	(51,056)	(58,657)	1,983,100	(254,620)	4,943,908
Segment and total assets	**25,420,826**	**50,507,963**	**37,288,750**	**4,713,834**	**13,987,668**	**7,793,471**	**41,297,850**	**(18,812,010)**	**162,198,352**
Segment and total liabilities	**10,202,664**	**42,698,311**	**28,657,225**	**1,695,385**	**9,229,838**	**29,933**	**30,828,121**	**(18,361,521)**	**104,979,956**
Other segment information:									
Depreciation and amortisation	292,657	33,470	1,181,342	173,833	4,719	-	57,084	-	1,743,105
Impairment loss for non-current assets	-	-	25,867	59,972	-	-	102,359	-	188,198
Provision for impairment of current assets	16,977	17,935	224,759	7,190	-	-	-	-	266,861
Research and development costs	252,555	-	110,889	-	-	-	-	-	363,444
Fair value gains on fair value adjustments of investment properties	-	(140,484)	-	-	-	-	-	-	(140,484)
Fair value losses/(gains) on equity investments at fair value through profit or loss	35,894	(944)	(378,023)	-	-	-	(2,106,633)	-	(2,449,706)
Investments in jointly-controlled entities	17,281	1,964,444	105,046	-	857,486	216,178	3,600,338	-	6,760,773
Investments in associates	7,900,594	1,961,708	240,153	-	97,147	774,090	4,284,985	-	15,258,677
Capital expenditure*	1,163,155	39,094	2,992,456	529,700	8,687	-	98,871	-	4,831,963

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2011

	Industrial Operations								
	Pharmaceuticals and healthcare RMB'000	Property RMB'000	Steel RMB'000	Mining RMB'000	Asset management RMB'000	Insurance RMB'000	Investment RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:									
Sales to external customers	6,432,589	9,536,472	38,224,060	2,338,790	56,156	-	228,148	-	56,816,215
Inter-segment sales	-	8,241	-	272,235	69,131	-	133,455	(483,062)	-
Other income and gains	1,088,599	434,550	371,206	129,025	7,000	-	1,337,516	(81,375)	3,286,521
Total	7,521,188	9,979,263	38,595,266	2,740,050	132,287	-	1,699,119	(564,437)	60,102,736
Segment results	**1,220,299**	**3,043,270**	**956,613**	**1,654,997**	**(65,635)**	**-**	**331,414**	**43,946**	**7,184,904**
Interest and dividend income	97,258	30,671	327,821	12,221	14,162	-	343,129	-	825,262
Unallocated expenses									(316,227)
Finance costs	(313,978)	(307,590)	(1,042,485)	(33,939)	(8)	-	(683,748)	-	(2,381,748)
Share of profits and losses of									
- Jointly-controlled entities	(189)	(2,159)	34,424	-	-	-	-	-	32,076
- Associates	723,846	275,643	1,141	-	-	-	538,197	-	1,538,827
Profit/(loss) before tax	1,727,236	3,039,835	277,514	1,633,279	(51,481)	-	528,992	43,946	6,883,094
Tax	(341,819)	(1,204,652)	141,855	(394,476)	3,578	-	(20,410)	(2,446)	(1,818,370)
Profit/(loss) for the year	1,385,417	1,835,183	419,369	1,238,803	(47,903)	-	508,582	41,500	5,064,724
Segment and total assets	**22,103,136**	**42,526,719**	**37,375,656**	**4,709,918**	**12,526,032**	**608,067**	**35,688,720**	**(18,000,630)**	**137,537,618**
Segment and total liabilities	**10,919,991**	**31,268,764**	**28,043,853**	**1,362,795**	**9,100,599**	**-**	**26,156,174**	**(17,800,712)**	**89,051,464**
Other segment information:									
Depreciation and amortisation	205,333	33,520	1,804,419	173,113	1,493	-	30,878	-	2,248,756
Impairment loss for non-current assets	148,522	-	-	-	-	-	-	-	148,522
(Reversal of)/provision for impairment of current assets	(12,740)	118,705	217,831	46,240	-	-	13,708	-	383,744
Research and development costs	189,427	-	110,834	812	-	-	-	-	301,073
Fair value gains on fair value adjustments of investment properties	-	(97,524)	-	-	-	-	-	-	(97,524)
Fair value losses/(gains) on equity investments at fair value through profit or loss	51,550	(789)	(32,387)	-	-	-	741,509	-	759,883
Investments in jointly-controlled entities	1,954	1,310,851	93,637	-	3,295	-	-	-	1,409,737
Investments in associates	7,391,344	1,950,695	230,185	-	-	-	7,703,387	-	17,275,611
Capital expenditure*	920,530	28,934	1,660,489	374,140	8,328	-	14,213	-	3,006,634

2. OPERATING SEGMENT INFORMATION (continued)

* Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments, exploration and evaluation assets, mining rights and intangible assets.

Geographical information

(a) Revenue from external customers

	2012 RMB'000	2011 RMB'000
Mainland China	51,060,708	56,100,117
Overseas countries and regions	704,038	716,098
	51,764,746	56,816,215

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2012 RMB'000	2011 RMB'000
Mainland China	64,173,479	54,961,975
Hong Kong	741,285	1,017,037
	64,914,764	55,979,012

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

No revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer for the years ended 31 December 2012 and 2011.

3. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods or properties sold after allowances for returns, trade discounts and various types of government surcharges, where applicable during the year. In addition, it includes gross rental income received and receivable from investment properties during the year.

An analysis of revenue, other income and gains is as follows:

	2012 RMB'000	2011 RMB'000
Revenue		
Sale of goods:		
Pharmaceutical and healthcare products	7,323,073	6,404,858
Properties	10,790,553	9,805,303
Iron and steel products	31,857,159	38,291,473
Ore products	2,025,313	2,524,921
	51,996,098	57,026,555
Rendering of services:		
Property agency	236,424	235,452
Property management	108,547	54,790
Rental	220,862	234,765
Asset management fee	159,742	56,156
Others	38,722	81,893
	764,297	663,056
Subtotal	52,760,395	57,689,611
Less: Government surcharges	(995,649)	(873,396)
	51,764,746	56,816,215

3. REVENUE, OTHER INCOME AND GAINS (continued)

	2012 RMB'000	2011 RMB'000
Other income		
Interest income	473,102	380,574
Dividends from available-for-sale investments	112,354	284,434
Dividends from equity investments at fair value through profit or loss	343,462	160,254
Rental income	35,447	52,890
Sale of scrap materials	9,053	17,037
Government grants	227,140	132,978
Consultancy and other service income	20,822	71,465
Exchange gains, net	-	163,480
Others	126,747	107,626
	1,348,127	1,370,738
Gains		
Gain on disposal of subsidiaries	85,041	59,304
Gain on bargain purchase	3,645	33,337
Gain on disposal of jointly-controlled entities	-	169,416
Gain on disposal of associates	315,347	-
Gain on disposal of partial interests in associates	10,859	34,696
Gain on deemed disposal of interests in associates	-	910,864
Gain on disposal of items of property, plant and equipment	66	13,710
Gain on disposal of available-for-sale investments	747,843	843,588
Gain on disposal of equity investments at fair value through profit or loss	194,645	578,606
Gain on fair value adjustment of investment properties	140,484	97,524
Gain on fair value adjustment of equity investments at fair value through profit or loss	2,449,706	-
	3,947,636	2,741,045
Other income and gains	5,295,763	4,111,783
Total revenue, other income and gains	57,060,509	60,927,998

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2012 RMB'000	2011 RMB'000
Interest on bank and other borrowings wholly repayable within five years	3,091,522	2,623,484
Interest on bank and other borrowings not wholly repayable within five years	270,568	202,717
Incremental interest on other long term payables	27,416	24,926
	3,389,506	2,851,127
Less: Interest capitalised, in respect of bank and other borrowings	(736,598)	(577,350)
Interest expenses, net	2,652,908	2,273,777
Interest on discounted bills	62,499	42,089
Interest on finance leases	12,408	12,818
Bank charges and other financial costs	45,846	53,064
Total finance costs	2,773,661	2,381,748

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2012 RMB'000	2011 RMB'000
Cost of sales	42,439,678	46,249,903
Staff costs (including directors' and senior management's remuneration):		
Wages and salaries	2,690,599	2,287,193
Accommodation benefits:		
Defined contribution fund	150,819	120,102
Retirement costs:		
Defined contribution fund	406,866	371,758
Equity-settled share-based payments	6,065	7,712
Total staff costs	3,254,349	2,786,765

5. PROFIT BEFORE TAX (continued)

The Group's profit before tax is arrived at after charging/(crediting): (continued)

	2012 RMB'000	2011 RMB'000
Research and development costs	363,444	301,073
Auditors' remuneration	14,200	13,750
Depreciation of items of property, plant and equipment	1,567,161	2,088,457
Amortisation of prepaid land lease payments	33,688	33,400
Amortisation of mining rights	91,403	100,468
Amortisation of intangible assets	50,853	26,431
Provision for impairment of receivables	66,653	45,019
Provision for inventories	182,273	222,016
Provision for impairment of completed properties for sale	17,935	116,709
Provision for impairment of items of property, plant and equipment	65,839	473
Provision for impairment of non-current assets held for sale	-	148,049
Provision for impairment of an investment in an associate	102,359	-
Provision for impairment of available-for-sale investments	20,000	-
Operating lease rentals	140,259	92,903
(Gain)/loss on disposal of items of property, plant and equipment	(66)	4,945
(Gain)/loss of fair value change on equity investments at fair value through profit or loss	(2,449,706)	759,883
Loss of fair value change on derivative financial instruments	-	9,228
Loss on the settlement of derivative financial instruments	-	52,555
Exchange loss/(gains), net	32,844	(163,480)
Provision for indemnity of LAT	-	51

6. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The provision for Mainland China current income tax is based on a statutory rate of 25% (2011: 25%) of the assessable profit of the Group as determined in accordance with the Enterprise Income Tax Law of the People's Republic of China which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China, which are taxed at preferential rates of 12.5% to 15%.

The major components of tax expenses for the years ended 31 December 2012 and 2011 are as follows:

	2012 RMB'000	2011 RMB'000
Group:		
Current – Hong Kong	92,032	21,594
Current – Mainland China		
- Income tax in Mainland China for the year	1,589,877	1,783,700
- LAT in Mainland China for the year	285,857	566,287
Deferred tax	(633,681)	(553,211)
Tax expenses for the year	1,334,085	1,818,370

According to the tax notices issued by the relevant local tax authorities, the Group commenced to pay LAT at rates ranging from 0.5% to 5% on proceeds from the sale and pre-sale of properties from 2004. Prior to 2007, except for this amount paid to the local tax authorities, no further provision for LAT had been made. The directors considered that the relevant tax authorities would be unlikely to impose additional LAT levies other than the amount already paid based on the relevant percentages of the proceeds from the sale and pre-sale of the Group's properties.

During the year, the prepaid LAT of the Group amounted to RMB432,600,000 (2011: RMB320,807,000).

In addition, based on the latest understanding of the LAT regulations from the State Administration of Taxation, the Group made an additional LAT provision in the amount of RMB338,000,000 (2011: RMB324,125,000) in respect of the sales of properties in the year in accordance with the requirements set forth in the relevant PRC tax laws and regulations. During the year, unpaid LAT provision in the amount of RMB484,743,000 (2011: RMB78,645,000) was reversed to the consolidated income statement upon the completion of the liquidation and clearance with the local tax authorities by certain subsidiaries of the Group. The net reversal of LAT provision for the year is RMB146,743,000 (2011: net provision of RMB245,480,000).

7. DIVIDENDS

	2012 RMB'000	2011 RMB'000
Proposed final – HKD0.17 (2011: HKD0.157) per ordinary share	885,181	817,340

The proposed final dividend of HKD0.157 per ordinary share for the year ended 31 December 2011 was declared payable and approved by the shareholders at the annual general meeting of the Company on 21 June 2012.

On 26 March 2013, the board of directors of the Company resolved to propose a final dividend for the year ended 31 December 2012 of HKD0.17 per ordinary share, subject to the approval by the shareholders at the forthcoming annual general meeting of the Company.

8. EARNINGS PER SHARE

Earnings per share attributable to owners of the parent are as follows:

	Year ended 31 December	
	2012	2011
Profit attributable to owners of the parent (RMB thousands)	3,707,201	3,403,605
Weighted average number of ordinary shares in issue (thousands)	6,421,595	6,421,595
Basic and diluted earnings per share (RMB)	0.58	0.53

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the parent, and the weighted average number of shares of 6,421,595,000 (2011: 6,421,595,000) in issue during the year.

The diluted earnings per share amount is equal to the basic earnings per share amount for the years ended 31 December 2012 and 2011, as there were no diluting events existed during these years.

9. TRADE AND NOTES RECEIVABLES

	2012 RMB'000	2011 RMB'000
Trade receivables	2,517,820	1,959,313
Notes receivable	3,082,298	4,546,799
	5,600,118	6,506,112

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2012 RMB'000	2011 RMB'000
Outstanding balances with ages:		
Within 90 days	2,092,631	1,721,241
91 to 180 days	287,190	94,314
181 to 365 days	102,365	163,317
1 to 2 years	72,839	17,718
2 to 3 years	9,419	4,885
Over 3 years	30,390	32,173
	2,594,834	2,033,648
Less: Provision for impairment of trade receivables	(77,014)	(74,335)
	2,517,820	1,959,313

Credit terms granted to the Group's customers are as follows:

	Credit terms
Steel segment	0 to 90 days
Mining segment	0 to 90 days
Pharmaceuticals and healthcare segment	90 to 180 days
Property segment	30 to 360 days

10. TRADE AND NOTES PAYABLES

	2012 RMB'000	2011 RMB'000
Trade payables	11,358,235	9,276,590
Notes payable	4,268,530	2,054,392
	15,626,765	11,330,982

An aged analysis of the trade payables as at the end of the reporting period is as follows:

	2012 RMB'000	2011 RMB'000
Outstanding balances with ages:		
Within 90 days	8,020,451	7,843,926
91 to 180 days	363,423	416,198
181 to 365 days	535,122	264,919
1 to 2 years	2,186,239	624,690
2 to 3 years	238,837	48,344
Over 3 years	14,163	78,513
	11,358,235	9,276,590

11. EVENTS AFTER THE REPORTING PERIOD

(a) On 31 January 2013, Sparkle Assets Limited, which is an indirect subsidiary of the Company, issued senior notes in the aggregate principal amount of USD400,000,000 due by the year of 2020 (the "Senior Notes") guaranteed by the Company and its 8 subsidiaries. The Senior Notes bear interest at the rate of 6.875% per annum, payable semi-annually in arrears.

(b) On 27 February 2009, Nanjing Nangang Iron & Steel United Co., Ltd. issued long-term enterprise bonds with a par value of RMB2,500,000,000 and an effective interest rate of 6.29% per annum ("2009 Nangang Bond"). The principal of the enterprise bonds will be repaid equally on 27 February 2015 and 27 February 2016. According to the offering memorandum of the 2009 Nangang Bond, the bond holders are entitled to redeem the bonds at a redemption price equal to the principal amount by the end of the fourth year since issuance, i.e. 27 February 2013.

On 27 February 2013, after the completion of the redemption, the principal amount of RMB30,000,000 of the 2009 Nangang Bond was redeemed by the bond holders. The remaining principal amount of RMB2,470,000,000 will be repaid by Nanjing Nangang Iron & Steel United Co., Ltd. equally on 27 February 2015 and 27 February 2016 with no further redemption option for bond holders.

(c) In December 2012, Fosun Pharma, through its subsidiary, entered into an agreement with the shareholders of Hunan Dongting Pharmaceutical Co., Ltd. ("Dongting Pharma"), which are independent third parties, to acquire 77.78% equity interest in Dongting Pharma at a consideration of RMB586,120,000. Dongting Pharma is engaged in the manufacture and sale of hemostatic and psychotropic medicines. The acquisition was undertaken under Fosun Pharma's strategy to penetrate the market of hemostatic and psychotropic medicines. The acquisition was completed in early January 2013 when Fosun Pharma obtained control of the operating and financial policies of Dongting Pharma.

CORPORATE GOVERNANCE

During the Reporting Period, the Company applied the principles of and fully complied with all code provisions as set out in the CG Code except for the failure to arrange appropriate insurance cover in respect of legal action against its Directors after 1 April 2012 in accordance with code provision A.1.8 of the CG Code. However, the Company had purchased directors and officers liability insurance with effect from 1 October 2012. In addition, Mr. Andrew Y. Yan, the independent non-executive Director, had not attended the annual general meeting of the Company held on 21 June 2012 as required under code provision A.6.7 of the CG Code due to other business commitment. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises four independent non-executive Directors, namely Mr. Zhang Shengman (Chairman), Mr. Andrew Y. Yan, Mr. Zhang Huaqiao and Mr. David T. Zhang. The main duties of the Audit Committee are to review and monitor the financial reporting procedures and internal control system of the Company and to provide recommendations and advice to the Board. The Audit Committee has reviewed the 2012 annual results of the Group.

ANNUAL GENERAL MEETING

The annual general meeting of the Company ("**AGM**") will be held on Wednesday, 22 May 2013. The notice of AGM will be published on the websites of the Company (www.fosun.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) and despatched to the shareholders of the Company.

DIVIDEND AND CLOSURE OF REGISTER

The Board has recommended the payment of a final dividend of HKD0.17 per ordinary share for the year ended 31 December 2012 to the shareholders of the Company whose names appear on the register of members of the Company on 30 May 2013. Subject to approval by the shareholders of the Company at the AGM to be held on 22 May 2013, the proposed final dividend is expected to be paid on or around 16 July 2013 to the shareholders of the Company.

The register of members of the Company will be closed from Monday, 20 May 2013 to Wednesday, 22 May 2013, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM to be held on 22 May 2013, all transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with Computershare Hong Kong Investor Services Limited, the share registrar of the Company (the "**Share Registrar**"), at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (the "**Registrar Address**"), for registration no later than 4:30 p.m. on Thursday, 16 May 2013.

The register of members of the Company will also be closed from Tuesday, 28 May 2013 to Thursday, 30 May 2013, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend to be proposed at the AGM, all transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with the Share Registrar at the Registrar Address for registration no later than 4:30 p.m. on Monday, 27 May 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its shares during the Reporting Period.

FORWARD-LOOKING STATEMENTS

This announcement includes certain forward-looking statements which involve the financial condition, results and business of the Group. These forward-looking statements are the Group's expectation or beliefs for future events and they involve known and unknown risks and uncertainties, which may cause actual results, performance or development of the situation to differ materially from the situation expressed or implied by these statements.

Forward-looking statements involve inherent risks and uncertainties. Please note that numerous factors can cause actual results to differ from any business forecasted or implied by the forward-looking statements. Material differences may even exist under certain circumstances.

ANNUAL REPORT

This results announcement is published on the websites of the Company (www.fosun.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The annual report will be despatched to the shareholders of the Company and published on both websites on or before 30 April 2013.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

the Board	the board of Directors
Carlyle-Fosun	Fosun-Carlyle (Shanghai) Equity Investment Fund L.P.
CG Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
Club Med	Club Méditerranée SA
the Company	Fosun International Limited
the Director(s)	the director(s) of the Company
Focus Media	Focus Media Holding Limited
Folli Follie	Folli Follie Group
Forte	Shanghai Forte Land Co., Ltd.
Fosun Capital	Shanghai Fosun Capital Equity Investment Fund Partnership L.P.
Fosun Chuanghong	Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.)
Fosun Group	Shanghai Fosun High Technology (Group) Co., Ltd.
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
GFA	gross floor area
the Group or Fosun	the Company and its subsidiaries
Hainan Mining	Hainan Mining Co., Ltd.
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of China
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Huaxia Mining	Beijing Huaxia Jianlong Mining Technology Co., Ltd.
Jianlong Group	Tianjin Jianlong Iron & Steel Industrial Co., Ltd.
Jin’an Mining	Anhui Jin’an Mining Co., Ltd.

Minsheng Bank	China Minsheng Banking Corp., Ltd.
Nanjing Iron & Steel	Nanjing Iron & Steel Co., Ltd.
Nanjing Nangang	Nanjing Nangang Iron & Steel United Co., Ltd.
Peak Reinsurance	Peak Reinsurance Company Limited
Pramerica-Fosun China Opportunity Fund	Pramerica-Fosun China Opportunity Fund, L.P.
Pramerica Fosun Life Insurance	Pramerica Fosun Life Insurance Co., Ltd.
PRC	the People's Republic of China
Reporting Period	the year ended 31 December 2012
Resource Property	Shanghai Resource Property Consultancy Co., Ltd.
RMB	Renminbi, the lawful currency of the PRC
Shanjiaowulin	Shanxi Coking Coal Group Wulin Coal Coke Development Co., Ltd.
Sinopharm	Sinopharm Group Co., Ltd.
Star Capital	Shanghai Star Equity Investment L.P.
Starcastle Senior Living	Starcastle Senior Living Corporation
USD	United States dollars, the lawful currency of the United States
Yong'an P&C Insurance	Yong'an Property Insurance Company Limited
Yuyuan	Shanghai Yuyuan Tourist Mart Co., Ltd.
Zendai	Shanghai Zendai Property Limited
Zhaojin Mining	Zhaojin Mining Industry Co., Ltd.

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

Shanghai, the PRC, 26 March 2013

As at the date of this announcement, the executive directors of the Company are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Fan Wei, Mr. Ding Guoqi, Mr. Qin Xuetang and Mr. Wu Ping; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Andrew Y. Yan, Mr. Zhang Huaqiao and Mr. David T. Zhang.